

quartered in Pearl, MS, and Montgomery, AL, respectively. MRS and ARS operate a combined three facilities – one in Mississippi and two in Alabama – that offer residential and commercial roofing products and other complementary building products. Together the companies generated net sales of \$76 million for the year ended Dec. 31, 2005. Consistent with Beacon’s other acquisitions, these facilities will continue operating under their local identities to maintain the close relationships they have developed with their customers.

First Technology plc, British maker of crash-test dummies and other safety supplies, has recommended its board approve a \$718 million take-over offer from **Honeywell International** plc, Morris Township, NJ. Danaher Corp. dropped out of a bidding war with Honeywell for the company. Honeywell expects to complete the transaction in the first half of 2006. Danaher Corp. is a leading manufacturer of professional instrumentation, industrial technologies, and tools and components.

The **Fastenal Company**, Winona, MN, reported a 23 percent increase to \$1.5 billion in sales for the fiscal year ended Dec. 31, 2005. The company had an increase in profit of 27.4 percent to \$166 million from 2004. Sales for the fourth quarter 2005 totaled \$384 million, an increase of 20.6 percent over the fourth quarter of 2004. Fourth quarter profit was up 17.7 percent to \$39.1

million from the same period last year. During 2005, Fastenal opened 222 new store sites, an increase of 14.5 percent since the end of fiscal year 2004. There were 6,392 employees at the end of fiscal year 2005, an increase of 16.2 percent from the year before.

Applied Industrial Technologies, Cleveland, OH, reported a 13 percent increase in sales to \$456.1 million for the fiscal 2006 second quarter ended Dec. 31, 2005. It recorded a 53 percent jump in profit. For the six months ended Dec. 31, 2005, sales increased 10 percent to \$899.3 million from \$817.2 million in the same period last year. Profit was up 40 percent to \$32.1 million, compared with \$23 million last year. Applied bumped up its sales guidance for the year to reach \$1.8 billion in annual sales. Applied Industrial Technologies is an industrial distributor that offers more than 2 million parts to MRO and OEM customers. In the fiscal year ended 2005, Applied had sales of \$1.72 billion.

Diversified industrial manufacturer **Eaton Corp.**, Cleveland, OH, had sales of \$11.1 billion in 2005, up 13 percent from 2004. Profit was \$805 million, up 24 percent over 2004. Sales in the fourth quarter 2005 were a record \$2.8 billion, 8 percent above the same period in 2004. Profit was \$210 million, compared with \$183 million in 2004, up 15 percent. Sales growth in the fourth quarter consisted of 5 percent organic growth and 4

continued on following page

Calculation of MDM Inflation Index for December 2005

	BLS Price Indices Dec. '05	BLS Price Indices Nov. '05	BLS Price Indices Dec. '04	% Sales Weight	Weighted Indices Dec. '05 (1)X(4)	% Change Dec. '05 Nov. '05	% Change Dec. '05 Dec. '04
1136 Abr. Prod.	442.6	426.6	422.1	19.1	84.54	3.76	4.85
1135 Cutting Tools	427.9	426.8	401.6	18.9	80.87	0.25	6.55
1145 Power Trans.	600.8	601.7	569.5	15.4	92.52	-0.16	5.49
1081 Fasteners	418.9	413.2	373.8	9.0	37.70	1.37	12.07
1149.01 Valves, etc.	694.6	695.0	654.3	7.6	52.79	-0.07	6.16
1132 Power Tools	328.1	328.1	325.2	6.5	21.33	0.00	0.89
1144 Mat. Handling	438.6	436.6	420.3	6.2	27.20	0.46	4.37
0713.03 Belting	513.7	512.1	502.1	6.1	31.34	0.31	2.31
1042 Hand Tools	659.9	659.9	623.1	8.1	53.45	0.00	5.90
108 Misc. Metal	399.0	397.8	389.1	3.1	12.37	0.28	2.54
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“New” December Index	258.1	December Inflation Index			494.09	0.79	5.58
“New” November Index	256.1	November Inflation Index			490.24		
		December 2004 Inflation Index			467.96		

New index reflects 1977=100 base. Other numbers=1967 base. To convert multiply by .52247